ΣΥΝΔΕΣΜΟΣ ΦΑΡΜΑΚΕΥΤΙΚΩΝ ΕΠΙΧΕΙΡΗΣΕΩΝ ΕΛΛΑΔΟΣ — ΣfΕΕ — HELLENIC ASSOCIATION OF PHARMACEUTICAL COMPANIES

To
the Honourable
Mr. Evangelos Venizelos
Minister of Defence

cc: Mr. G. Papaconstantinou, Minister of Finance
Mr. A. Loverdos, Minister of Health and Social Solidarity
Mr. P. Sachinidis, Deputy Minister of Finance
Mr. P. Efthymiou, Parliamentary Spokesperson for PASOK
Mr. I. Plaskovitis, Secretary General of the Ministry of Finance
Mr. P. Karakousis, Director General, Directorate General of Treasury & Budget, Ministry of Finance

Halandri, May 12, 2011

Honourable Minister,

SFEE would like to express the distress of pharmaceutical companies about the continuing accumulation of debts by military hospitals. In fact, the problem is aggravating with time, as is apparent in the detailed report we attach herewith and which refers to debts incurred between 01/01/2010 and 31/03/2011.

In particular, the total sales of pharmaceutical companies to military hospitals amount to 56 million euro, of which 48 million have not been paid. This means that the percentage of unsettled invoices is now at 85%. For 2010 alone, debts amount to 38 million euro, corresponding to 83% of medicinal products purchased by the hospitals under your responsibility.

The problem has become more acute in the current year, as in the first quarter of 2011, military hospitals purchased medicinal products valued at 10.6 million euro, of which only 300,000 euro have been paid. This means that the percentage of unsettled invoices is at 97%.

The situation becomes explosive if one takes into account the €52 million in pending invoices for the time period up to 31-12-2009. At the same time, Mr. P. Karakousis, Director General of the General Directorate of Treasury & Budget, in a letter dated 20/4/2011 to our member companies, said that the Ministry of Finance intended to settle military hospital debts accumulated up to 2009 through bonds maturing in 2012, 2013 and 2014, without mentioning when debts incurred in 2010 and 2011 would be repaid.

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We would like to note at this point that significant delays in the settlement of debts have created serious cash deficits for our member companies. With regard to bonds, if one considers the cost of debts until today and the cost of discounting bonds, the financial position and viability of our members will be acutely exacerbated.

We are opposed to the specific proposal to settle past debts of military hospitals with bonds, especially with less favourable terms. Based on the above, we are at your disposal to work on an overall solution for the above-mentioned issues, which include both debts up to 2009 and those incurred in 2010 and 2011.

Respectfully,

Fotis Mangalousis
Director General

Vasilios Niadas
Vice-president

Dionysios Filiotis
President

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